# SENATE BILL No. 475

### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-4-39; IC 6-1.1-7-2.

**Synopsis:** Property tax assessment of mobile homes. Requires the department of local government finance to adopt rules for the property tax valuation of a mobile home (other than a rental unit) using certain prescribed standards. Requires the use of the gross rent multiplier method for the valuation of a mobile home rental unit.

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Effective: July 1, 2005.

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January 18, 2005, read first time and referred to Committee on Tax and Fiscal Policy.



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#### First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

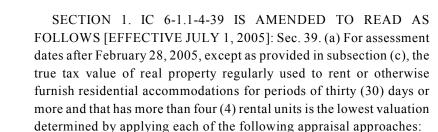
Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in this style type. Also, the word NEW will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in this style type or this style type reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## SENATE BILL No. 475

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:



- (1) Cost approach that includes an estimated reproduction or replacement cost of buildings and land improvements as of the date of valuation together with estimates of the losses in value that have taken place due to wear and tear, design and plan, or neighborhood influences.
- (2) Sales comparison approach, using data for generally comparable property.
- (3) Income capitalization approach, using an applicable capitalization method and appropriate capitalization rates that are developed and used in computations that lead to an indication of



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1	value commensurate with the risks for the subject property use.
2	(b) The gross rent multiplier method is the preferred method of
3	valuing:
4	(1) real property that has at least one (1) and not more than four
5	(4) rental units; and
6	(2) mobile homes:
7	(A) regularly used to rent or otherwise furnish residential
8	accommodations for periods of at least thirty (30) days;
9	and
10	<b>(B)</b> assessed under IC 6-1.1-7.
11	(c) A township assessor is not required to appraise real property
12	referred to in subsection (a) using the three (3) appraisal approaches
13	listed in subsection (a) if the township assessor and the taxpayer agree
14	before notice of the assessment is given to the taxpayer under section
15	22 of this chapter to the determination of the true tax value of the
16	property by the assessor using one (1) of those appraisal approaches.
17	(d) To carry out this section, the department of local government
18	finance may adopt rules for assessors to use in gathering and
19	processing information for the application of the income capitalization
20	method and the gross rent multiplier method. A taxpayer must verify
21	under penalties for perjury any information provided to the assessor for
22	use in the application of either method.
23	SECTION 2. IC 6-1.1-7-2 IS AMENDED TO READ AS
24	FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The department
25	of local government finance may shall adopt rules in order to provide
26	a method for assessing mobile homes. These
27	(b) The rules adopted under subsection (a) must:
28	(1) be consistent with this article, including the factors required
29	under IC 6-1.1-31-7; and
30	(2) with respect to a mobile home other than a mobile home
31	referred to in IC 6-1.1-4-39(b)(2), provide for determination
32	of the assessed value in an amount that is the least of:
33	(A) subject to subsection (c), the value determined using:
34	(i) the National Automobile Dealers Association Guide;
35	or
36	(ii) a similar valuation guide prescribed by the
37	department of local government finance;
38	(B) the value determined using the factor required under
39	IC 6-1.1-31-7(b)(6); or
40	(C) the value determined using any other valuation method
41	prescribed by the department of local government finance.
42	(c) The department of local government finance may provide in



1	the rules adopted under subsection (a) for adjustment of the values
2	referred to in subsection (b)(2)(A) to account for features of a
3	mobile home that are not considered in the determination of those
4	values.
5	SECTION 3. [EFFECTIVE JULY 1, 2005] IC 6-1.1-4-39 and
6	IC 6-1.1-7-2, both as amended by this act, apply only to assessment

IC 6-1.1-7-2, both as amended by this act, apply only to assessment dates after December 31, 2005.



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